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Senate Engrossed

State of Arizona  
Senate  
Forty-sixth Legislature  
First Regular Session  
2003

# SENATE BILL 1326

AN ACT

AMENDING SECTION 38-612, ARIZONA REVISED STATUTES; RELATING TO STATE EMPLOYEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-612, Arizona Revised Statutes, is amended to  
3 read:

4 38-612. Administration of payroll salary deductions

5 A. There shall be no payroll salary deductions from the compensation  
6 of state officers or employees except as specifically authorized by federal  
7 law or regulation or by a statute of this state. No administrative agency of  
8 this state may authorize any other deduction.

9 B. In addition to those payroll salary deductions required by federal  
10 law or regulation or by statute, state officers or employees may authorize  
11 deductions to be made from their salaries or wages for the payment of:

12 1. Premiums on any health benefits, disability plans or group life  
13 plans provided for by statute and any existing insurance programs already  
14 provided by payroll deduction.

15 2. Shares or obligations to any state or federally chartered credit  
16 union established primarily for the purpose of serving state employees and  
17 their families.

18 3. Dues in a recognized association comprised principally of employees  
19 and former employees of agencies of this state, subject to the following  
20 criteria:

21 (a) When comprised of at least one thousand state employees other than  
22 employees of ~~the state universities~~, the department of public safety and  
23 academic personnel of the Arizona state schools for the deaf and the blind.

24 (b) When comprised of at least ~~twenty-five per cent of~~ ONE THOUSAND  
25 EMPLOYEES OF ANY STATE UNIVERSITY, INCLUDING ~~the~~ academic personnel ~~or of the~~  
26 AND nonacademic employees ~~of any state university~~.

27 (c) When comprised of at least twenty-five per cent of the academic  
28 personnel of the Arizona state schools for the deaf and the blind.

29 (d) When comprised of at least five hundred state employees who are  
30 certified as peace officers by the Arizona peace officer standards and  
31 training board established by section 41-1821.

32 4. Deferred compensation or tax sheltered annuity salary reductions  
33 when made under approved plans.

34 5. Federal savings bond plans.

35 6. Recurrent fees, charges or other payments payable to a state agency  
36 under a collection plan approved by the director of the department of  
37 administration.

38 7. Contributions made to a charitable organization:

39 (a) Organized and operated exclusively for charitable purposes and  
40 selected by the presidents of the state universities. Employees of the state  
41 universities shall be advised by form of the charitable organizations to  
42 which they may contribute through payroll salary deductions. The advisory  
43 provided under this subdivision shall be substantially similar to the  
44 following and prominently printed:

1 "You may contribute to any charitable organization registered  
2 under internal revenue code section 501(c)(3), tax exempt  
3 status.  
4

5 Charitable organization name"

6 This subdivision applies only to academic personnel and nonacademic employees  
7 of the state universities.

8 (b) Organized and operated exclusively for charitable purposes,  
9 provided a fund drive by such an organization shall be applicable to all  
10 state agencies except the state universities covered under subdivision (a) of  
11 this paragraph and no state officer or employee of state agencies subject to  
12 this subdivision may authorize more than one deduction for charitable  
13 purposes to be in effect at the same time. This subdivision applies to all  
14 state agencies except the universities covered under subdivision (a) of this  
15 paragraph.

16 8. Contributions made for the purpose of contributing to a fund  
17 raising campaign for a university or a club for faculty or staff, or both,  
18 which is recognized by the university president and authorized by the Arizona  
19 board of regents. This paragraph applies only to academic personnel and  
20 nonacademic employees of the state universities.

21 9. Charges payable for transportation expenses pursuant to section  
22 41-786.

23 10. Payments ordered by courts of competent jurisdiction within this  
24 state.

25 11. Automobile or homeowner's insurance premiums.

26 C. In order for the department of administration to establish and  
27 maintain a dues deduction pursuant to subsection B, paragraph 3 of this  
28 section, the department of administration shall have the capacity and  
29 capability to establish and maintain the deduction without the appropriation  
30 of any additional monies or technological improvements. The department of  
31 administration shall track all personnel hours dedicated to dues deduction.  
32 The department of administration may charge a fee to a recognized association  
33 that qualifies under subsection B, paragraph 3 of this section for  
34 establishing the automatic dues deduction and ~~any time~~ ANYTIME changes are  
35 needed in the automatic dues deduction system as a result of an increase or  
36 decrease in association dues. If the membership criteria of a recognized  
37 association falls below the criteria set forth in subsection B, paragraph 3  
38 of this section, the recognized association shall be on probation for one  
39 year. If the membership of a recognized association falls below the criteria  
40 set forth in subsection B, paragraph 3 of this section for more than one  
41 year, or if the members of the association engage in a work slowdown or work  
42 stoppage, the dues deduction authorized by this section shall immediately be  
43 discontinued.

1           D. For those state officers and employees under payroll systems which  
2 are under the direction of the director of the department of administration,  
3 the director shall provide for the administration of payroll deductions for  
4 the purposes set forth in this section. For all other state officers and  
5 employees and for persons receiving allowances or benefits under other state  
6 payroll and retirement systems, the appropriate state officer shall provide  
7 for such administration of payroll deductions. Such administration shall  
8 operate without cost or contribution from the state other than the incidental  
9 expense of making the deductions and remittances to the payees. If any payee  
10 requests additional services, the director of the department of  
11 administration or any other appropriate state officer may require payment for  
12 the additional cost of providing such services.

13           E. As a means of readily identifying the employee from whom payroll  
14 deductions are to be made, the state officer administering payroll deductions  
15 may request an employee to enter such employee's social security  
16 identification number on the payroll deduction authorization. Such number  
17 shall not be used for any other purpose.

18           F. The state, the director of the department of administration or any  
19 other appropriate state officer shall be relieved of any liability to  
20 employees authorizing deductions or organizations receiving deductions that  
21 may result from authorizations pursuant to this section.